

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN)	CASE NO. 92-558-A
KENTUCKY GAS COMPANY)	

O R D E R

On December 22, 1993, the Commission issued its Order in Case No. 92-558 approving on an experimental basis a monthly mechanism for the adjustment of rates in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On January 4, 1994, Western Kentucky Gas Company ("Western") filed its monthly GCA with a proposed effective date of February 1, 1994. Western requested waiver of the 30-day notice provision pursuant to KRS 278.180.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western's notice of January 4, 1994 set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on to its firm sales customers an expected wholesale decrease in gas costs from its suppliers in the amount of 23.07 cents per Mcf. Western's proposed expected gas cost ("EGC") for firm sales customers effective February 1, 1994 is \$3.3536 per Mcf.

Western proposed to pass on to its interruptible customers a wholesale decrease in gas costs. Western's proposed

expected gas cost for interruptible sales customers effective February 1, 1994 is \$2.7667 per Mcf.

2. Western's notice set out a total refund adjustment for sales customers in the amount of 8.73 cents per Mcf which is comprised of refunds from previous quarters. Western's notice also set out a previous quarter refund adjustment for transportation customers in the amount of 1.17 cents per Mcf.

3. Western's notice as filed in compliance with its revised GCA clause does not include actual or balance adjustments. These adjustments are replaced by a correction factor ("CF") which is to be filed in its application for rates to be effective April 1, 1994. At the time of that filing, Western should reconcile the amount to be included in its proposed CF with amounts already recovered or returned through its actual and balance adjustments.

4. Western's GCA is (\$.1681) per Mcf for firm sales customers and (\$.4977) per Mcf for interruptible sales customers. These represent the combined effect of the approved EGC decrease and the refund adjustments.

5. Western's adjustment in rates under the provisions approved by the Commission in its Order in Case No. 92-558 dated December 22, 1993 is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after February 1, 1994.

IT IS THEREFORE ORDERED that:

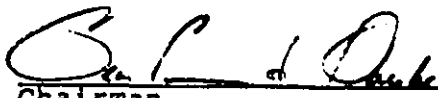
1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are

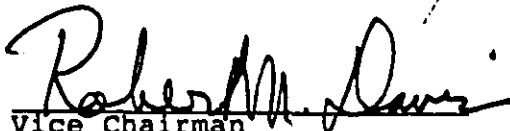
approved effective with final meter readings on and after February 1, 1994.

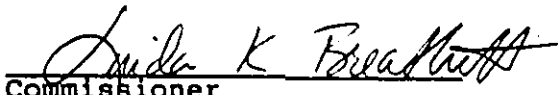
2. Within 30 days of the date of this Order, Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-558-A DATED February 1, 1994

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.1681) per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.4977) per Mcf of gas used during the billing period.